



Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1697-MC

DATE: July 25, 2016

TO: Iowa Medicaid Intellectual Disability (ID) and Brain Injury (BI) Home and Community Based Services (HCBS) Providers and Managed Care Organizations (MCOs)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Medicaid HCBS Projected Rate Setting- Supplemental Schedule D-4

EFFECTIVE: Immediately

On April 1, 2016, most of Iowa's Medicaid members were enrolled in one of three MCOs through the IA Health Link managed care program. Under the IA Health Link program, providers will establish negotiated reimbursement rates with the MCOs (refer to Informational Letter [1562](#)¹).

Providers that are currently not enrolled in the IA Health Link program with one of the contracted MCOs, and are serving Medicaid Fee- for- Service (FFS) members, who are receiving HCBS Supported Community Living (SCL) Daily services, will need to follow the guidelines below to establish a projected rate.

Daily SCL Rates

Effective April 1, 2016, the IME is the authorizing agent for daily SCL rates for FFS members not enrolled in the IA Health Link program. As done in the past, HCBS providers serving FFS members will need to submit "HCBS Supplemental Schedule D-4" to establish a projected rate to the IME Provider Cost Audit (PCA) Unit. The projected rate will be reviewed by the IME to assure reasonable justification of the financial and service need components. Please note the following points:

- A revised HCBS Supplemental Schedule D-4, [470-3449](#)², will be used to request projected rates with effective dates of April 1, 2016, or after for FFS members.
- **Providers, Case Managers and Targeted Case Managers (CM/TCMs) must complete the revised HCBS Supplemental Schedule D-4 in full** and submit to the IME Provider Cost Audit Unit for processing.
 - HCBS Supplemental Schedule D-4 is only required when the site includes **at least one new** Medicaid FFS member.

¹ https://dhs.iowa.gov/sites/default/files/1562_ManagedCareOrganizationProviderReimbursementRateFloors.pdf

² <http://dhs.iowa.gov/sites/default/files/470-3449.xls>.

- Individual D-4 forms are required for all members, regardless of funding source and must be submitted in conjunction with the Site D-4 form.
- HCBS Supplemental Schedule D-4 has been revised to include a checkbox to indicate the funding source for each member (i.e., DHS, MFP, MCO etc.).
- Rate requests and D-4 line items (including \$1,570 allocations) must be properly justified, individualized, and documented in the member's service plan.

Questions on the daily projected rate setting for FFS members should be addressed to the IME HCBS program at HCBSwaivers@dhs.state.ia.us.